

DECREE

of 5 May 2022,

**implementing some provisions of the Act on Pan-European Personal Pension Product
and amending related decrees on professional qualifications**

Pursuant to Article 3(3), Article 4(2), Article 5(3), Article 6(2), Article 8(6), Article 13(2) and Article 22 of Act No. 91/2022 Coll., on Pan-European Personal Pension Product and on Amendments to Related Acts, (hereinafter the “Act”) pursuant to Article 14h(a) and Article 199(2) of Act No. 256/2004 Coll., on Capital Market Undertakings, as amended, and pursuant to Article 57(2) and Article 124 of Act No. 170/2018 Coll., on Distribution of Insurance and Reinsurance, the Czech National Bank lays down:

PART ONE

**IMPLEMENTATION OF SOME PROVISIONS
OF ACT ON PAN-EUROPEAN
PERSONAL PENSION PRODUCT**

Article 1

Subject of regulation

(1) This decree lays down the details of requirements, the format and other technical requirements of applications for

- a) registration of a pan-European personal pension product pursuant to Article 3(3) of the Act and
- b) the granting of consent pursuant to Article 8(6) of the Act to an act in law through which contracts on a pan-European personal pension product are to be assigned to another provider.

(2) This Decree further regulates the format and other technical requirements of

- a) a notification of a distributor of a pan-European personal pension product pursuant to Article 4(2) of the Act that intends to commence or terminate distribution of a pan-European personal pension product; and
- b) an application for the cancellation of registration of a pan-European personal pension product pursuant to Article 6(2) of the Act.

(3) This Decree also stipulates

a) the extent of professional knowledge and skills for distribution of a pan-European personal pension product

pursuant to Article 5(3) of the Act and

- b) the extent, form, deadline and method of provision of information pursuant to Article 13(2) of the Act.

Article 2

Identification details

For the purposes of this Decree, identification details for

- a) a legal entity and a physical person doing business shall be understood to mean the name, registered office, head office, if different to the registered office, and identification number of a person/entity or a similar number allocated abroad;
- b) a natural person not doing business shall be understood to mean the name and personal number or, where not assigned, the date of birth and residence address.

Article 3

**Application for registration of pan-European
personal pension product**

(Re Article 3(3) of the Act)

(1) The details of the requirements for an application for registration of a pan-European personal pension product are the applicant’s identification details and annexes pursuant to paragraph (2) containing information about compliance with the conditions for registration of a pan-European personal pension product pursuant to Article 6(2) of Regulation (EU) 2019/1238 of the European Parliament and of the Council (hereinafter the “Regulation”).

(2) The annexes to an application for registration of a pan-European personal pension product are

- a) a draft contract on pan-European personal pension product pursuant to Art. 4 of the Regulation;
- b) a description of measures with regard to the management of the asset portfolio, the management of risks and staffing, technical and organisational

conditions in connection with the pan-European personal pension product, including measures pursuant to Art. 19(2), Art. 42(5) and Art. 49(3) of the Regulation; which are

1. a proposal for the staffing and organisational arrangement of individual activities that the applicant will perform in connection with the pan-European personal pension product that contains, at least, a description of the arrangement of management of a conflict of interests and ensuring full administrative and accounting procedures in connection with the pan-European personal pension product, the expected number of staff that will handle the performance of activities in connection with the pan-European personal pension product and identification details of the person responsible for the distribution of the pan-European personal pension product, including the method of assessing the professional qualifications of such person; if the applicant intends to authorize another person to perform the activities, it will also submit a contract or draft contract with such person;
 2. a proposal for the technical arrangement of individual activities in connection with individual activities that the applicant will perform in connection with the pan-European personal pension product that contains, at least, the appropriate information system ensuring the obtaining, processing, transfer, sharing and storage of information and the accounting system;
 3. information about the assumed composition of the asset portfolio in connection with the pan-European personal pension product, about the method of managing such portfolio and about any separation of such portfolio from other portfolios managed by the applicant and its own assets, including information about the procedures ensuring a prudent investment approach in relation to portfolio asset management, with the aim of ensuring long-term security, quality, liquidity and profitability of the whole asset portfolio and measures adopted for the purpose of ensuring long-term appreciation of assets obtained from contributions by savers in the pan-European personal pension product;
 4. an analysis of the impacts of the provision of the pan-European personal pension product on the applicant's activities, including the impacts on the applicant's business plan, with a statement of the expected impacts on the applicant's financial stability and solvency and the submission of an estimate of the expected revenues and costs broken down into costs related to the introduction of activities and running costs, in particular overhead costs and costs for remunerating distributors of the pan-European personal pension product, as well as a description of the amendments to internal regulations of the applicant made in connection with the provision of the pan-European personal pension product;
 5. if the applicant intends to establish a partnership with another registered provider of a pan-European personal pension product pursuant to Art. 19(2) of the Regulation for the purpose of complying with the requirements of Art. 19(1) of the Regulation, the identification details of this provider and the agreement with this provider regarding the functions entrusted to it or a draft of it together with a written promise to conclude it; the applicant will also submit independent contractual terms and conditions governing contributions and withdrawals from sub-accounts, if the contractual conditions apply to such act in law;
 6. if an applicant that is an investment firm, management company or self-governing investment fund intends to provide a pan-European personal pension product with a guarantee, a contract with a credit institution or insurance company on the conclusion of such guarantee or a proposal for it together with a promise to conclude it by the credit institution or insurance company; and
 7. if an applicant that is not an insurance company intends to offer a pan-European personal pension product ensuring the coverage of biometric risks, a contract with an insurance company on the coverage of such risks with details about the coverage or a proposal for it with a promise to conclude it by the insurance company;
- c) documents pursuant to Art. 6(2)(d) to (g) of the Regulation.

Article 4

Notification of change to information

(Re Article 13(2) of the Act)

Notification of a provider of a pan-European personal pension product about each material change to the facts stated in an application for registration of a pan-European personal pension product and its annexes pursuant to Article 3 contains the provider's identification details, a description of the changes made and the marking of the

changes in the documents submitted where the change is made.

Article 5

Notification of distributor of pan-European personal pension product

(Re Article 4(2) in combination with Article 13(2) of the Act)

(1) Notification of a distributor of a pan-European personal pension product on the start or end of distribution of a pan-European personal pension product in the Czech Republic contains

- a) the distributor's identification details;
- b) the registration number of the pan-European personal pension product; and
- c) the start or end date for distribution.

(2) A notification pursuant to paragraph (1) submitted in relation to a tied representative that can be a distributor for a pan-European personal pension product shall not contain the information in accordance with paragraph (1)(b).

Article 6

Application for granting consent to act in law through which contracts on pan-European personal pension product are to be assigned to another provider

(Re Article 8(6) of the Act)

The details of the requirements of an application for the granting of the Czech National's Bank's consent to an act in law through which contracts on a pan-European personal pension product are to be assigned to another provider are

- a) a description of the procedure leading to protection of the interests of savers and beneficiaries in a pan-European personal pension product with the provider to which the contracts are to be assigned (hereinafter the "New Provider"), which will include
 1. the schedule for steps related to the assignment of contracts on the pan-European personal pension product to the New Provider and the day on which the assignment is to occur;
 2. the reasons for the assignment of contracts on the pan-European personal pension product to the New Provider, including a statement of the reasons for the selection of this provider;
 3. a description of the conditions for the assignment

of contracts on the pan-European personal pension product to the New Provider, including a statement of the amount of assets of the assigning provider concerning contracts concluded on the pan-European personal pension product that will be transferred in connection with assignment, the number of savers in the pan-European personal pension product affected and a summary of the assets intended for the settlement of obligations arising from the assignment of the contracts;

4. a contract on the assignment of contracts on the pan-European personal pension product;
 5. a description of the expected changes to the financial management of the New Provider as a consequence of the assignment, including the expected influence on compliance with capital requirements in the first 3 fiscal years after such assignment and any expected costs of the New Provider for compliance with material, staffing and organisational requirements and the method of covering such costs;
 6. a description of any impact of the assignment on the rights and duties of savers and beneficiaries under the pan-European personal pension product, including a description of any compensation;
 7. the opinion of the depository, together with a promise of the depository to continue with activities and cooperate with the New Provider or a promise of a new depository to accept the funds, if the applicant is a management company or self-governing investment fund;
 8. a description of the procedure for notifying savers in the pan-European personal pension product of the planned assignment of contracts to the New Provider; such statement will include a specification of the identification details of the New Provider and other necessary information related to the assignment and continuance of contracts on a pan-European personal pension product; and
 9. the financial statements of every participating provider and information about the current amount, structure and liquidity of the portfolio managed based on the contracts on the pan-European personal pension product and the number of savers and beneficiaries under the pan-European personal pension product; and
- b) annexes pursuant to Article 3(2) that will be affected with the New Provider by changes in connection with the assignment of contracts on the pan-European personal pension product, unless the Czech National Bank already

has them.

Article 7

Formats and other technical requirements of applications and notifications

(1) Applications and notifications pursuant to this decree will be submitted in a data format commonly used in electronic communications.

(2) Paragraph (1) does not apply in the case of a notification of insurance intermediaries that are making a submission through the Czech National Bank electronic application for registration.

Article 8

Common provisions on applications

(1) If the nature of the matter prevents the submission of data or a document relating to an application required by this Decree, and unless it is sufficiently clear from the application, the applicant shall justify failure to submit the data or document in a separate annex to the application and shall provide evidence of this justification.

(2) The applicant is not obligated to submit the data or documents required by this Decree where their current versions are publicly available in public administration information systems or where the Czech National Bank has their current versions available. An applicant will document the reason for non-submission to the Czech National Bank.

Article 9

Provider's reporting duties

(Re Article 13(2) of the Act)

(1) The provider of a pan-European personal pension product submits a report for Czech National Bank supervision (hereinafter "Supervisory Report") to the Czech National Bank by deadlines in accordance with paragraph (2). The extent of a Supervisory Report is stated in Annex No. 1 to this Decree.

(2) The Provider of a pan-European personal pension product submits a Supervisory Report always within 18 weeks of the end of the fiscal year, after the end of the year in which a pan-European personal pension product was

registered, and also in the case of material changes to a pan-European personal pension product or changes to its activities, but at least once every three years.

(3) The provider of a pan-European personal pension product also submits to the Czech National Bank, as of the end of the fiscal year and within 16 weeks of the end of the fiscal year to which they apply, statements whose contents, format and templates are determined by a directly applicable European Union regulation on pan-European personal pension products¹⁾.

Article 10

Distributor's reporting duties

(Re Article 13(2) of the Act)

(1) The distributor of a pan-European personal pension product submits a PEPP (CNB) 10 — 01 report "Information about activities of pan-European personal pension product distributor" to the Czech National Bank for every calendar year by 31 March of the following year; its contents are stated in Annex No. 2 hereto.

(2) It submits a report pursuant to paragraph (1) in relation to a tied representative that can be a distributor for a pan-European personal pension product.

Article 11

Method and form of submitting report for supervision and statements

(Re Article 13(2) of the Act)

(1) A reporting entity submits to the Czech National Bank a Supervisory Report and statements under Article 9 and 10 in electronic form as data messages in the format and structure of data files.

(2) Data messages in accordance with paragraph (1) shall be transmitted using equipment enabling access through an internet application or user interface for the collection system of the Czech National Bank.

(3) A data message in accordance with paragraph (1) shall be signed by a reporting entity using a recognized electronic signature of the contact person.

(4) A reporting entity shall state to the Czech

¹⁾ Commission Implementing Regulation (EU) 2021/897 of 4 March 2021 laying down implementing technical standards for the application of Regulation (EU) 2019/1238 of the European Parliament and of the Council with regard to the format of

supervisory reporting to the competent authorities and the cooperation and exchange of information between competent authorities and with the European Insurance and Occupational Pensions Authority.

National Bank the name, work address, telephone number and e-mail address of the contact person. A reporting entity will notify the Czech National Bank of changes to such data without undue delay.

Article 12

Corrections and changes in reports

(Re Article 13(2) of the Act)

(1) If, after the submission of reports to the Czech National Bank, a reporting entity ascertains an error or if it makes a change to its report data, it will submit a corrected report to the Czech National Bank without delay; a reporting entity will proceed in the same way in the event that the Czech National Bank notifies it of an error in data in reports submitted. If the correction affects data in other reports or reports for other time periods, the reporting entity will also correct all such related reports.

(2) If, in connection with an audit of the financial statements at a reporting entity by an auditor, there are changes to data in reports prepared as at 31 December, the reporting entity shall resubmit such reports with the corrected values within 15 days of such changes. If the correction affects data in other reports or reports for other time periods, the reporting entity will also correct all such related reports.

(3) The corrected reports are submitted in the manner determined in Article 11, together with information about the content and reason for the correction.

Article 13

Scope of professional knowledge and skills for distribution of pan-European personal pension product that does not include insurance or does not concern provision of investment services

(Re Article 5(3) of the Act)

(1) The extent of the professional knowledge of persons that directly contribute to the distribution of a pan-European personal pension product or that are responsible for its distribution corresponds to the material content of activities of such persons for the distribution of a pan-European personal pension product, so that its qualified performance is ensured.

(2) The extent of professional knowledge is stated in Annex No. 3 to this Decree.

(3) Persons that directly contribute to the distribution of a pan-European personal pension product or are

responsible for its distribution must have professional skills for the distribution of the pan-European personal pension product consisting of the abilities to

- a) in a qualified manner, obtain information from a customer about his/her requirements, aims, needs, financial situation, knowledge and experience, risk tolerance, ability to bear losses and awareness of risks to which he/she may be exposed during an obligation under a contract on a pan-European personal pension product in such a manner that it is possible to provide full advice, personal recommendations and a personal projection of pension benefits;
- b) in a qualified and comprehensible manner, provide information during communication with a customer in such a manner that the customer can assess him/herself whether the pan-European personal pension product on offer corresponds to his/her requirements, aims, needs, financial situation, knowledge and experience, risk tolerance, ability to bear losses and awareness of risks to which he/she may be exposed during an obligation under a contract on a pan-European personal pension product;
- c) properly assess a customer's requirements, aims, needs, financial situation, knowledge, experience, risk tolerance, ability to bear losses and legal relations concerning other financial market products, consider the risks to which a customer may be exposed during an obligation under a contract on a pan-European personal pension product and offer him/her an appropriate pan-European personal pension product;
- d) properly conclude contracts on a pan-European personal pension product; and
- e) in a qualified and comprehensive manner, provide information to a customer during the obligation term under a contract on a pan-European personal pension product.

(4) Paragraphs 1 to 3 will not be applied to the professional qualifications of a provider or distributor of a pan-European personal pension product whose professional qualifications are set out by an act governing distribution of insurance and re-insurance or an act governing capital market undertakings.

PART TWO

Amendment to Decree on Professional Qualifications for Distribution on the Capital Market

Article 14

Decree No. 319/2017 Coll., on professional qualifications for distribution on the capital market, is amended as follows:

1. In Article 3 at the end of the text in sub-paragraph a), the following words will be added “; in the case of a pan-European personal pension product in such a manner that it is possible to provide with professional care advice, personal recommendations and personalized projection of pension benefits”.

2. In Article 3 the word “and” will replace the comma at the end of sub-paragraph c).

3. In Article 3 the word “and” will replace the full stop at the end of sub-paragraph d) and sub-paragraphs e) and f) will be added, reading as follows:

“e) properly conclude contracts on a pan-European personal pension product and

f) in a qualified and comprehensive manner, provide information to a customer during the obligation term under a contract on a pan-European personal pension product.”.

4. A point 4 shall be added to Section II(c) and shall read:

“4. structure, entities and functioning of a pan-European personal pension product

4.1 a provider of a pan-European personal pension product, a distributor of a pan-European personal pension product;

4.2 a contract on a pan-European personal pension product;

4.3 key information about the registration of a pan-European personal pension product;

4.4 key information about the cross-border provision of a pan-European personal pension product;

4.5 portability of a pan-European personal pension product;

4.6 rules for distribution of a pan-European personal pension product;

4.7 pre-contractual information for distribution

of a pan-European personal pension product;

4.8 advice on distribution of a pan-European personal pension product;

4.9 provision of information during the obligation term under a contract on a pan-European personal pension product;

4.10 key information about investment rules for a provider of a pan-European personal pension product;

4.11 investment options for customers for a pan-European personal pension product;

4.12 investor protection;

4.13 a change to the provider of a pan-European personal pension product;

4.14 rules concerning the decumulation phase.”.

PART THREE

Amendment to Decree on Professional Qualifications for Distribution of Insurance

Article 15

Decree No. 195/2018 Coll., on professional qualifications for distribution of insurance, is amended as follows:

1. In Article 3 at the end of the text in sub-paragraph a), the following words will be added “and provide with professional care advice, personal recommendations and personalized projection of pension benefits in the case of a pan-European Personal pension product”.

2. In Article 3 at the end of the text of sub-paragraph d) the words “and contracts on a pan-European personal pension product” will be added.

3. In Article 3 the word “and” will replace the full stop at the end of sub-paragraph d) and sub-paragraph e) will be added, reading as follows:

“e) in a qualified and comprehensive manner, provide information to a customer during the obligation term under a contract on a pan-European personal pension product.”.

4. A point 2 shall be added to Section II(a) and shall read:

“2. structure, entities and functioning of a pan-European personal pension product

2.1 a provider of a pan-European personal

- pension product, a distributor of a pan-European personal pension product;
- 2.2 a contract on a pan-European personal pension product;
 - 2.3 key information about the registration of a pan-European personal pension product;
 - 2.4 key information about the cross-border provision of a pan-European personal pension product;
 - 2.5 portability of a pan-European personal pension product;
 - 2.6 rules for distribution of a pan-European personal pension product;
 - 2.7 pre-contractual information for distribution of a pan-European personal pension product;
 - 2.8 advice on distribution of a pan-European personal pension product;
 - 2.9 provision of information during the obligation term under a contract on a pan-

- European personal pension product;
- 2.10 key information about investment rules for a provider of a pan-European personal pension product;
 - 2.11 investment options for customers for a pan-European personal pension product;
 - 2.12 investor protection;
 - 2.13 a change to the provider of a pan-European personal pension product;
 - 2.14 rules concerning the decumulation phase.”.

PART FOUR

EFFECT

Article 16

This Decree will come into effect on 11 May 2022.

Governor:

Rusnok, duly signed

Report for Czech National Bank Supervision

1. A Supervisory Report contains information concerning activities in the field of the pan-European personal pension product, the investment strategies used and their performance, the risk management system and the effectiveness of techniques for reducing risks for the pan-European personal pension project and the relevant consequences resulting from the prudential framework of the provider of the pan-European personal pension product.

2. The provider of a pan-European personal pension product will describe in a Supervisory Report the nature of its activities in the field of the pan-European personal pension product, investment options and the external environment, all significant events that occurred during the period for which the report is being prepared, and will state general information about the pan-European personal pension product, including

- a) the registration number of the pan-European personal pension product;
- b) the names and addresses of external auditors of the provider of the pan-European personal pension product;
- c) a description of the investment options and guarantees concerning the pan-European personal pension product, including a description of the determination of the amount of the guarantees that the provider agreed and a statement of the countries in which it agreed such options, with special regard to all changes in the period for which the report is prepared;
- d) a description of the target market, as well as a description of the target savers for the pan-European personal pension product; this description should state, at least, the age profile of the target savers for the pan-European personal pension product, taking into account the financial situation, financial knowledge and ability of target savers in the pan-European personal pension product to bear losses with regard to the investment profile;
- e) all significant events that occurred during the period for which the report is prepared, unless they are notified in more detail otherwise, that have a material impact on the aims of savers in the pan-European personal pension product, on the provider of the pan-European personal pension product or on business models in the field of the pan-European personal pension product and on the strategy concerning the pan-European personal pension product;
- f) the main trends and factors that positively or negatively contributed to trends, performance and the position of the pan-European personal pension product in the period for which the report is prepared;
- g) a description of the distribution channels used to distribute the pan-European personal pension product and checks to ensure appropriate distribution;
- h) a description of the procedure to change the provider introduced for activities in the field of a pan-European personal pension product and implemented in the period for which the report is prepared;
- i) a general description of complaints received, including the results of complaints, the average term of contracts that complaints received concern, what complaints are about and the relevant measures adopted by the provider with the aim of dealing with specific complaints, as well as wider measures for the purpose of dealing with any questions concerning the design and distribution of the pan-European personal pension product.

3. The provider of a pan-European personal pension product will describe the structure of the administration and management of activities in the field of the pan-European personal pension product, which will include, at least

- a) administrative and accounting procedures introduced that enable the provider of the pan-European personal pension product to submit reports on time providing a true and fair view of the state of investments and liabilities in the field of the pan-European personal pension product and that are in accordance with accounting regulations and standards;
- b) any information about the main tasks of compliance performed with regard to activities in the field of

the pan-European personal pension product;

c) information about systems and controls introduced to ensure compliance with supervision over products and principles of administration and management;

d) if appropriate, a description of how, in connection with activities in the field of the pan-European personal pension product, the main tasks of insurance mathematics functions are performed;

e) a general explanation of partnerships and contracts with third parties in connection with the pan-European personal pension product and the functioning of such contracts and partnerships, as well as the conditions and results with regard to the relevant contracts on the pan-European personal pension product.

4. The provider of a pan-European personal pension product will describe the investment strategy used for individual investment options concerning the pan-European personal pension product. This description will include, at least:

a) a description of the systems introduced to ensure compliance with Art. 41 of the Regulation;

b) a determination of the risk factors and sources of return on the investment strategy;

c) a description of how the investment strategy takes into account the interests of savers in the pan-European personal pension product, with regard to their specific profile and while taking into account environmental and social factors and administration and management factors;

d) a description of the systems introduced for the purpose of monitoring the investment strategy of the pan-European personal pension product, as well as the principles concerning a possible change to this strategy;

e) if appropriate, a description of the liquidity management plan, as well as measures that the provider of the pan-European personal pension product can execute, if there is a problem with liquidity.

5. The provider of a pan-European personal pension product will state detailed information about the financial performance of investments held for the purposes of the pan-European personal pension product, including

a) an analysis of the total return on investments concerning the pan-European personal pension product prepared by the administrative or managerial body;

b) information about profits or losses in connection with investments concerning the pan-European personal pension product and, if appropriate, about elements of such income from the relevant sub-groups of investment categories;

c) the impact of derivatives on the performance of investments concerning the pan-European personal pension product;

d) information about investment expenses concerning the pan-European personal pension product arising in the period for which the report is processed, in comparison with previous years and reasons for material changes.

6. The provider of a pan-European personal pension product will state the types of risks to which savers in the pan-European personal pension product are exposed or to which they could be exposed, it will describe the risk management system with regard to the provision of the pan-European personal pension product, including the risk management strategy of the provider of the pan-European personal pension product and the written principles introduced to ensure compliance with this strategy.

7. The provider of a pan-European personal pension product will describe how the risk management system enables the ongoing identification, measurement, monitoring, management and reporting of risks to which savers in the pan-European personal pension product are exposed or to which they could be exposed and the links between them. The information requested includes

a) the risk management framework introduced for activities in the field of the pan-European personal pension product that is based on written risk management principles, with regard to the nature, volume and complicated nature of the pan-European personal pension products offered;

b) a description of the systems introduced to ensure compliance with the Regulation's requirements;

c) the remit and nature of the risk management systems based on written risk management principles, including a description of the management tools used to identify, measure, monitor, manage and report

risks related to the provision of the pan-European personal pension product, capturing the policies of the provider of the pan-European personal pension product for the management of, at least, financial risks, liquidity risks, market risks, credit risks, risks of damage to the good reputation and environmental and social risks, as well as administration and management risks;

d) the effectiveness of the risk management and internal control systems introduced with regard to the risks related to the pan-European personal pension product that the provider of the pan-European personal pension product should have under control;

e) a general overview of the extent and frequency of information submitted to the administrative or managerial body as far as concerns the pan-European personal pension product and the requirements resulting from it;

f) details about how the provider of the pan-European personal pension product monitors risks resulting from derivative positions.

8. The provider of a pan-European personal pension product will state details about risk reduction techniques used, which will include, at least

a) details about the mechanisms, approaches and methodologies of placement as a part of the risk reduction techniques used for investment options concerning the pan-European personal pension product and its actual performance;

b) processes for monitoring the permanent effectiveness of such procedures in the risk reduction area.

9. The provider of a pan-European personal pension product may also state the following data:

a) information about the valuation policies used for solvency purposes;

b) information about the capital structure of the provider of the pan-European personal pension product, capital situation and level of financial leverage.

PEPP (CNB) 10 - 01 “Information about activities of pan-European personal pension product distributor”

In information, a pan-European personal pension product distributor will state the names of the insurance companies, credit institutions, investment service providers or investment fund administrators for which the pan-European personal pension product distributor brokered the conclusion of a contract on a pan-European personal pension product, and state the designation of the pan-European personal pension product. For every pan-European personal pension product the pan-European personal pension product distributor will state the number of brokered contracts on the pan-European personal pension product and the volume of insurance premiums prescribed, the volume of contributions or the volume of investments. Further, a pan-European personal pension product distributor will state the number of staff that will directly contribute to the distribution of the pan-European personal pension product, the number of persons it used to look for parties interested in brokering a contract on the pan-European personal pension product, the number of contracts on the pan-European personal pension product that it had in its management, the number of brokered contracts on the pan-European personal pension product for the conclusion of which only remote communication was used, the numbers of complaints concerning the distribution of the pan-European personal pension product and the total amount of fees received for the distribution of pan-European personal pension products.

Scope of professional knowledge

Knowledge of regulations on pan-European personal pension products includes, in particular

- a) the professional minimum about the financial market to the following extent
 1. the financial market, its definition, its role and its importance;
 2. the fundamentals of finance theory (time value of money, the relationship between yield, risk and liquidity);
 3. financial mathematics (interest);
 4. the financial market structure (primary and secondary market, money and capital market, stock market, bond market, financial derivatives market, commodity derivatives market);
 5. the financial market participants (entitled and authorized persons under an obligation relationship, issuers, investors, financial intermediaries);
 6. the regulation and supervision of the financial market;
- b) knowledge of the structure, entities and functioning of the pan-European personal pension product containing a contribution to the extent of
 1. a provider of a pan-European personal pension product, a distributor of a pan-European personal pension product;
 2. a contract on a pan-European personal pension product;
 3. key information about the registration of a pan-European personal pension product;
 4. key information about the cross-border provision of a pan-European personal pension product;
 5. portability of a pan-European personal pension product;
 6. rules for distribution of a pan-European personal pension product;
 7. pre-contractual information for distribution of a pan-European personal pension product;
 8. advice on distribution of a pan-European personal pension product;
 9. provision of information during the obligation term under a contract on a pan-European personal pension product;
 10. key information about investment rules for a provider of a pan-European personal pension product;
 11. investment options for customers for a pan-European personal pension product;
 12. investor protection;
 13. a change to the provider of a pan-European personal pension product;
 14. rules concerning the decumulation phase;
 15. the basics of related regulations on private law and consumer protection law;
- c) knowledge of the structure and functioning of the pan-European personal pension product containing a contribution to the extent of
 1. the principles of the contribution relationship, the basic parameters and duties of the parties (contributors and debtors);
 2. the contribution risks;
 3. related banking rules;
 4. types of pan-European personal pension product not containing a contribution (including insurance or concerning the provision of investment services);
 5. the bases of private law;
- d) knowledge of the structure and functioning of a pan-European personal pension product containing securities issued by investment funds to the extent of
 1. investment funds (open and closed, with legal personality, mutual funds, standard funds,

- special funds, qualified investor funds such as hedge funds, private equity, venture capital funds, real estate funds, exchange-traded funds);
2. an investment fund manager (management company), an investment fund administrator;
 3. the investment strategy, the risk profile of an investment fund, the yield distribution method;
 4. the basic rules for the operation of investment funds, admissible assets, risk diversification, portfolio management, portfolio performance and risk measurement;
 5. the statute of an investment fund, sharing key information, the regular reporting duty to investors;
 6. securities issued by investment funds (shares, participation certificates, interests), the mechanism for issuing and redeeming participation certificates and investment shares;
 7. the rules of conduct for a manager and administrator regarding distribution on the capital market, and the rules governing the management of investment fund assets, the depository;
 8. fees or other charges associated with investing in an investment fund (management fee, entry surcharge, redemption fee, total expense ratio – TER).